

Title of Opportunity: Innovation Grant Program

Funding Opportunity Number: TBD

State Agency Name: Arizona Commerce Authority (Arizona Department of Commerce)

Dates: Completed strategies must be submitted no later than 5:00 PM, December 23, 2010.

Additional overview information: Governor Brewer has authorized the utilization of State Fiscal Stabilization Funds (SFSF) allocated from the American Recovery and Reinvestment Act (ARRA) of 2009 to fund the Innovation Grant Program. Due to current economic conditions and the risk-averse nature of private investment sources, there is a dearth of funding available for early-stage technology ventures in the State of Arizona. Successful small technology ventures are characterized by wealth creation through fast growth, quality employment, attraction of outside capital investment, export sales and generation of tax revenue.

The Innovation Grant Program is intended to foster the growth of such ventures in the state by bridging the financing gap between research and development and commercial launch of promising technology. \$1.5 million of American Recovery and Reinvestment Act (ARRA) funds are available for grants ranging from \$100,000 - \$250,000, allowing a maximum of fifteen and minimum of six grants. Commercialization grants will be awarded to small (less than 30 employees), early-stage companies in Arizona's targeted manufacturing export industries - renewable energy and sustainability, bio and life sciences, electronics, information technology, aerospace and defense, and advanced manufacturing. An applicant must demonstrate with a relatively modest investment they have the intellectual property to address an unmet need in the marketplace, and the ability to successfully commercialize a technology solution that will attract additional investment from equity investors, or grow the business organically through revenue generation. Applicants must propose a complete project plan to commercialize their technology solution no later than September 30, 2011. Preference will be given to applicants commercializing technology that originated in the State of Arizona, with a technology transfer, commercialization, or research entity, either public or private.

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PART I.

AWARD INFORMATION

This section summarizes the award period of performance and the total amount of funding available under the **Innovation Grant Program**, describes the basic distribution method used to determine final grants awards, and identifies all eligible applicants for funding.

Award Period of Performance

The period of performance of this grant is 10 months. Extensions to the period of performance will not be considered due to the expiration of the SFSF funds on September 30, 2011.

Available Funding

The total amount of funds available for distribution under this initiative will be \$1,500,000. Funds will be allocated based on financial need and the merit of the proposals. Individual awards will range from \$100,000 to \$250,000.

Requests made above these funding caps will be considered on a case by case basis. There is no guarantee of funding and these allocation levels are subject to change at the discretion of ACA.

Objectives

- Enhance Arizona's global competitiveness by investing in innovative, early-stage technology
 ventures with the potential for rapid growth in employment, sales and generation of tax revenues
 for the State of Arizona
- Foster the growth of employment opportunities in high-wage, export-based technology industries
- Leverage intellectual assets developed in Arizona by providing early-stage financing to bridge the gap between start-up funding and technology commercialization
- Attract subsequent private investment to early-stage technology ventures

PART II.

ELIGIBILITY INFORMATION

A. Eligible Applicants

The Chief Executive Officer of each eligible organization must submit a proposal in order to be eligible to participate in this program. This grant program is open to any for-profit entity that meets the following criteria:

- Existing qualified small business entity:
 - Is a corporation, limited liability company, partnership or other business entity (Sole proprietor ineligible)
 - 2. Maintains a portion of its operations in Arizona
 - 3. Has less than thirty employees
 - 4. Is in the early stages of development and is not principally engaged in statutorily precluded activities as provided in A.R.S. §41-1518(K)(6)
 - 5. Does not engage in activities that involve human cloning or embryonic stem cell research
- Applicants must demonstrate they have access to intellectual property and legal authorization to commercialize proprietary technology solutions
- Applicants must demonstrate their venture is principally engaged in export industries targeted by the Arizona Commerce Authority – renewable energy and sustainability, bio and life sciences, electronics, information technology, aerospace and defense, and advanced manufacturing.

Each applicant may only submit one application for consideration.

B. Cost Sharing

Projects shall include matching funds of at least 15% of the grant request. This match may be satisfied with eligible in-kind contributions, which may include, but are not limited to engineering, technical design and product testing and other technical functions. Other in-kind matches will be considered at the discretion of an evaluation committee (Committee). Cash contributions are preferred and strongly encouraged. Other State and federal funds or tax incentives will NOT satisfy the match requirement.

C. Restrictions

Please see Part III.C. for Management & Administration (M&A) limits and allowable / unallowable costs guidance.

PART III. PROPOSAL SUBMISSION INFORMATION

Proposals for this funding must be submitted in person or via e-mail to the Arizona Commerce Authority (Arizona Department of Commerce.)

A. Content and Form of Strategy/Proposal

- **1. Strategy/Proposal.** The proposal should not exceed nine pages, plus attachments, and must include the following required components:
- A project description/executive summary with applicant contact information (not to exceed 1 page)
- Eligibility of applicant (see Part II.A.), qualifications of management team and business venture (not to exceed 1 page narrative + resumes of key management, staff, and relevant partners)
- Description of technology solution and market potential (not to exceed 2 pages narrative + relevant independent technology assessments, 3rd party market assessments, completed SBIRs, etc. along with evidence of IP protection)
- Project outcomes proposed (not to exceed 1 page)
- Commercialization project plan (2 pages narrative + supporting project management documents such as timeline, key milestones, project deliverables, etc.)
- Budget narrative (not to exceed 1 page)
- Budget by cost category (see Innovation Grant Budget Template in Part VI.)

B. Submission Dates and Times

- Completed proposals must be submitted no later than 5:00 PM, December 23, 2010,
- . via email to BrianS@AZcommerce.com or physical copy to:

Arizona Commerce Authority
Attn: Brian Sherman
1700 West Washington
Suite 600
Phoenix, AZ 85007

C. Funding Restrictions

- 1. **Management and Administrative (M&A) Costs.** Reasonable project management costs are allowable but indirect or general overhead costs are not.
- 2. **Allowable Costs.** Specific types of costs are to be grouped into the following five budget categories :
 - Personnel Cost
 - Professional and Outside Services
 - Operating Expenses
 - Capital Outlay (Equipment)
 - Other
- 3. Unallowable Costs. A Governor is prohibited from using Government Services funds for
 - Paying down past debt;
 - Casinos and other gaming establishments, aquariums, zoos, golf courses, or swimming pools (Section 1604 of the ARRA);
 - Financial assistance to students to attend private elementary and secondary schools, unless the funds are used to provide special education and related services to children with disabilities as authorized by the IDEA (Section 14011 of the ARRA);
 - Maintenance of systems, equipment, or facilities;
 - Construction, modernization, renovation, or repair of stadiums or other facilities
 primarily used for athletic contests or exhibitions or other events for which
 admission is charged to the general public; or
 - Construction, modernization, renovation, or repair of facilities
 - o used for sectarian instruction or religious worship; or
 - o in which a substantial portion of the functions of the facilities are subsumed in a religious mission. (See generally Section 14004(c) of the ARRA.)

PART IV. PROPOSAL REVIEW INFORMATION

A. Review Criteria

This section summarizes the core process and priorities used to assess proposals submitted under the **Innovation Grant Program**. The **Innovation Grant Program** will look to fund those offerors whose application is determined in writing to be the most advantageous to the **State** based upon the evaluation criteria listed below in relative order of importance:

- 1. Qualifications of applicant and demonstrated ability to complete the project
- 2. Demonstrated market potential of technology product or solution
- 3. Quality of project plan and budget justification

B. Review Process

All proposals will first be reviewed by ACA staff for completeness. Any omissions will be resolved with the organization before the proposal moves further through the review process, at the discretion of the ACA. Each proposal will then be reviewed by a committee comprised of subject matter experts from the ACA and qualified outside organizations. Other reviewers will be engaged if the subject of the proposal warrants their involvement. These reviewers will analyze each proposal to ensure that they align with the purposes outlined in this program announcement.

C. Anticipated Announcement and Award Dates

ACA will evaluate and act on proposals in a timely fashion and will make a funding decision within three weeks of receipt with the goal to have all funding allocated on or before January 31, 2011.

PART V.

AWARD ADMINISTRATION INFORMATION

A. **NOTICE of AWARD**

a. Upon approval of the proposal, a contract will be drafted and forwarded to the recipient organization. This contract must then be signed returned to ACA for recording. The date that this is done is the "award date" and "project start date."

B. TERM OF AGREEMENT/ EFFECTIVE DATE

a. The period of performance of this grant is 10 months. Extensions to the period of performance will not be considered due to the expiration of the SFSF funds on September 30, 2011.

C. CONTRACT TYPE

a. Cost Reimbursement Sub-Grant.

D. DOCUMENTS INCORPORATED BY REFERENCE

a. Incorporation by Reference: The State of Arizona's Uniform Instructions to Offerors (Rev 7.1) and Uniform Terms and Conditions (Rev 7) are incorporated by reference into this contract as if fully set forth herein. These documents may be accessed through the Arizona State Procurement Office's website at http://www.azdoa.gov/agencies/spo/docs_and_forms.asp. The documents may also be obtained by calling the State Procurement Office at (602) 542-5511, or by calling the Governor's Office at (602) 542-3434. Title XIV of the American Recovery and Reinvestment Act (ARRA) of 2009, known as the State Fiscal Stabilization Fund (American Recovery and Reinvestment Act of 2009 Public Law 111-5 (H.R. 1), February 17, 2009; 123 Stat. 115, as amended by Public Law 111-8 (H.R. 1105), the Omnibus Appropriations Act, 2009; Division A, Section 523; March 11, 2009; 123 Stat. 524), as administered by the U.S. Department of Education, is hereby incorporated by reference into this contract as if fully set forth herein and may be accessed at http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=111 cong bills&docid=f:h1enr.p

E. SUBGRANTEE ARRA ASSURANCES

a. Subgrantee assures compliance with the guidelines, provisions and reporting requirements of the ARRA. Subgrantee accepts that the Federal Government may issue additional guidance or change requirements or terms and conditions of this agreement as ARRA funds are distributed and programs are implemented for the stated designated goals and quick timelines. Subgrantee agrees that any such supplementary guidance, clarifications, or provisions, shall become terms and conditions of this award.

df. It is the Subgrantee's responsibility to obtain the current revisions of these documents.

- b. Subgrantee understands that ARRA is funding projects with one time dollars and that failure to comply with the terms, conditions and requirements of the ARRA may result in the recapture of the balance of funds awarded.
- c. The Subgrantee agrees to avoid unnecessary delays in implementing its ARRA funds. The Subgrantee certifies that it will not use ARRA funds for any unauthorized purposes and understands that misuse of ARRA funds may result in a range of penalties from suspension of funds to civil and/or criminal penalties.

F. **CONTRACT RENEWAL**

a. The contract shall not bind nor purport to bind ACA for any contractual commitment in excess of the original contract period or amount. ACA shall have the right, at its sole option, to renew the contract, in one year increments, not to exceed a total grant term of five years. If ACA exercises such right, all terms, conditions and provisions of the original contract shall remain the same and apply during the renewal period.

G. SUBGRANTEE'S OBLIGATION REGARDING CONFIDENTIALITY

a. Due to the sensitive nature of the information maintained by ACA, the Subgrantee acknowledges that all information disclosed to it concerning the ACA's operations during performance of this Grant shall not be disclosed to third parties without ACA's prior written consent. All proprietary information and all copies thereof shall be returned to ACA upon completion of the work for which it was obtained or developed.

H. NO WAIVER

a. Either party's failure to insist on strict performance of any term or condition of the contract shall not be construed as a waiver or relinquishment for the further performance of such provision.

I. REPORTING REQUIREMENTS

a. The Subgrantee will submit reports that contain the information required under section 1512(c) of the ARRA in accordance with any guidance issued by the Office of Management and Budget or the U.S. Department of Education (ARRA Division A, Section 1512(c)). Subgrantees may be required to submit additional reports as required by ACA.

J. PROGRAMMATIC AND FINANCIAL REPORTS

a. The subgrantee shall provide a monthly program activity report to ACA that provides updates on the goals and performance measures outlined in the original proposal. This report is due to ACA by the 15th of each month for the previous month. The Subgrantee shall use the forms provided by the Grantor to submit monthly program activity reports. The report shall contain such information as deemed necessary by the ARRA guidance and ACA. The forms will be sent to the Subgrantee upon receipt of the signed Agreement.

K. FINANCIAL REIMBURSEMENT

a. The Subgrantee shall be paid on a cost-reimbursement basis. The reimbursement

amount is to be determined on the cash basis of accounting. The reimbursement request must be submitted no more often than bi-weekly and no less than quarterly for those items submitted and approved in the budget inclusively. Draw down schedules will be provided upon award. Subgrantee shall submit a final reimbursement request no more than forty-five (45) days after the contract end for expenses obligated prior to the date of contract termination. All expenses must be liquidated prior to the final reimbursement request. Requests for reimbursement received later than forty-five (45) days after the contract termination will not be paid.

b. Notwithstanding any other payment provision of this contract, failure of the Subgrantee to submit required reports when due, or failure to perform or deliver required work, supplies or services, will result in the withholding of payment under this contract unless such failure arises due to causes beyond the control and without the fault of negligence of the Subgrantee.

L. MANNER OF FINANCING

- a. Payment made by the Grantor to the Subgrantee will be on a reimbursement basis only and is conditioned upon receipt of applicable, accurate and complete reimbursement documents to be submitted by the Subgrantee. Final payment will be contingent upon receipt of all fiscal and programmatic reports required of the Subgrantee under this Agreement.
- b. Requested reimbursement must be submitted in an all-inclusive basis.
- c. Travel expenses shall be at State rates (see website www.gao.az.gov/travel/default.asp for rates) and reimbursable at cost.
- d. Payment made by the Grantor to the Subgrantee shall be expended from the State Fiscal Stabilization Fund, Government Services Fund, administered by the U.S. Department of Education. The Catalog of Federal Domestic Assistance (CFDA) Number is 84.397.

M. **DUNS/CCR**

a. The Subgrantee is required to provide a Dun and Bradstreet Data Universal Numbering System (DUNS) number for the fiscal agent; and proof of current registration in the Central Contractor Registration (CCR) database. Additionally, CCR registration must be maintained for the term of the contract.

N. CONSTRUCTION COSTS

a. Generally construction and renovation costs are allowable. Please see page 7 for those construction projects/costs that are specifically unallowable under ARRA.

O. RESTRICTIONS ON LOBBYING

a. The Subgrantee shall not use these funds to pay for, influence, or seek to influence any officer or employee of the State of Arizona or the federal government if that action may have an impact, of any nature, on this agreement.

P. NOTIFICATION REGARDING CHANGES

a. The Subgrantee shall notify ACA in writing, with immediate notice, of any changes in the program that will directly affect service delivery under the terms of the contract. No changes shall be implemented without the prior written approval of a formal contract amendment issued by ACA.

Q. **KEY PERSONNEL**

a. It is essential that the Subgrantee provide an adequate staff of experienced personnel, capable of and devoted to the successful accomplishment of work to be performed under this contract. The Subgrantee must assign specific individuals to the key programmatic and fiscal positions. Once assigned to work under the contract, key personnel shall not be removed or replaced without the prior written approval of ACA. The fiscal person is considered a Key Person for this grant. It is the preference of ACA that the Subgrantee requires current state certification and/or licensure as a condition of employment for those individuals providing direct behavioral and medical health services to youth.

R. FISCAL RESPONSIBILITY

a. It is understood and agreed that the total amount of the funds used under this Agreement shall be used for the project(s) outlined in this Agreement. Therefore, should the project not be completed, be partially completed, or be completed at a lower cost than the original budget called for, the amount reimbursed to the Subgrantee shall be for only the amount of dollars actually spent by the Subgrantee. For any funds received under this Agreement for which expenditure is disallowed by an audit exception by the Governor's Office, the State or Federal government, the Subgrantee shall reimburse said funds directly to the Grantor immediately, but not later than fifteen (15) business days, exclusive of state holidays.

S. RECORDS

a. At any time during the term of this contract, and at any time within five (5) years after the closing of the federal grant, the Subgrantee's or any subcontractor's books and records shall be subject to an audit by the State or Federal Government, to the extent that the books and records relate to the performance of the contract or subcontract. All records shall be subject to inspection and audit by the State or Federal government at reasonable times. Upon request, the Subgrantee shall produce a legible copy of any or all such records.

T. AUDIT TRAILS

a. Subgrantee shall maintain proper audit trails for all reports related to this contract. The ACA reserves the right to review all program records.

U. FUND MANAGEMENT

a. The Subgrantee must maintain funds received under this contract in separate ledger accounts and cannot mix these funds with other sources. Subgrantee must manage funds according to applicable federal regulations for administrative requirements, cost principles

and audits.

b. The Subgrantee must maintain adequate business systems to comply with Federal requirements. The business systems that must be maintained are:

Financial Management

Procurement

Personnel

Property

Travel

c. A system is adequate if it is: 1) written; 2) consistently followed - it applies in all similar circumstances; and 3) consistently applied – it applies to all sources of funds. The Governor's Office reserves the right to review all business systems policies.

V. ASSIGNMENT AND DELEGATION

a. Subgrantee may not assign any rights hereunder without the express, prior written consent of both parties.

W. **AMENDMENTS**

a. Any change in the contract, including material changes to the scope of work and/or the budget described herein, whether by modification or supplementation, must be accomplished by a formal contract amendment signed and approved by and between the duly authorized representatives of the Subgrantee and ACA. ACA may approve or reject any amendment, when necessary. Any such amendment shall specify an effective date, any increases or decreases in the amount of the Subgrantee's compensation, if applicable, and entitled as an "Amendment" and signed by the parties identified in the preceding sentence. The Subgrantee expressly and explicitly understands and agrees that no other method and/or no other document, including correspondence, acts, and oral communications by or from any person, shall be used or construed as an amendment or modification or supplementation to the contract.

X. SUBCONTRACTORS

a. The Subgrantee agrees and understands that no subcontract which the Subgrantee enters into with respect to performance under this contract shall in any way relieve the Subgrantee of any responsibility for performance of its duties. It is highly recommended by ACA that a Memorandum of Understanding or some other type of contract is in place between the Subgrantee and a Subcontractor for services to be performed, and in which a payment amount has been negotiated and approved, so as to avoid any misunderstanding between both parties.

Y. OFFSHORE PERFORMANCE OF WORK PROHIBITED

a. Due to security and identity protection concerns, all services under this contract shall be performed within the borders of the United States. All storage and processing of information shall be performed within the borders of the United States. This provision applies to work performed by sub-contractors at all tiers.

Z. AGREEMENT RENEWAL

a. This Agreement shall not bind nor purport to bind the Grantor for any contractual commitment in excess of the original Agreement period.

AA. CANCELLATION

- a. ACA reserves the right to cancel the whole or any part of the contract due to failure of the Subgrantee to carry out any term, promise, or condition of the contract. ACA will issue a written ten (10) day notice of default to the Subgrantee for acting or failing to act as in any of the following:
- b. The Subgrantee provides personnel that do not meet the requirements of the contract.
- c. The Subgrantee fails to perform adequately the services required in the contract.
- d. The Subgrantee attempts to impose on ACA personnel that are of an unacceptable quality.
- e. The Subgrantee fails to furnish the required product within the time stipulated in the contract.
- f. The Subgrantee fails to make progress in the performance of the requirements of the contract and/or gives ACA a positive indication that the Subgrantee will not or cannot perform to the requirements of the contract.
- g. If the Subgrantee does not correct the above problem(s) within ten (10) days after receiving the notice of default, ACA may cancel the contract. If ACA cancels the contract pursuant to this clause, the State reserves all rights or claims to damage for breach of contract.

BB. CANCELLATION FOR CONFLICT OF INTEREST

a. ACA may, by written notice to the Subgrantee, immediately cancel this Contract without penalty or further obligation pursuant to A.R.S. §38-511 if any person significantly involved in initiating, negotiating, securing, drafting or creating of the Contract on behalf of ACA is an employee or agent of any other party in any capacity or a consultant to any other party to the Contract with respect to the subject matter of the Contract. Such cancellation shall be effective when the parties to the Contract receive written notice from ACA, unless the notice specifies a later time.

CC. THIRD PARTY ANTITRUST VIOLATIONS

a. Subgrantee assigns to the State of Arizona any claim for overcharges resulting from antitrust violations to the extent that such violations concern materials or services supplied by third parties to Subgrantee toward fulfillment of this Agreement.

DD. **TERMINATION**

a. The Procurement Manager for ACA reserves the right to terminate the contract at any time, for the convenience of ACA, without penalty or recourse, by giving written notice to the Subgrantee at least thirty (30) days prior to the effective date of such termination. In the event of termination pursuant to this paragraph, all documents, data, and reports prepared by the Subgrantee under the contract shall, at the option of ACA, become property of the State of Arizona. The Subgrantee shall be entitled to receive just and equitable compensation for that work completed prior to the effective date of termination.

EE. FORCE MAJEURE

a. If either party hereto is delayed or prevented from the performance of any act required in this Agreement by reason of acts of God, strikes, lockouts, labor disputes, civil disorder, or other causes without fault and beyond the control of the party obligated, performance of or payment for such act will be excused for the period of the delay.

FF. NON-DISCRIMINATION

a. All parties to this agreement agree to comply with Title VII of the Civil Rights Act of 1964, as amended, the Age Discrimination in Employment Act, and State Executive Order No. 99-4 which mandates that all persons, regardless of race, religion, handicap, color, age, sex, political affiliation or national origin shall have equal access to employment opportunities. All parties shall comply with 1) the Rehabilitation Act of 1973, as amended, which prohibits discrimination in the employment or advancement in employment of qualified persons because of physical or mental handicap; 2) all applicable federal regulations regarding equal employment opportunity and relevant orders issued by the U.S. Secretary of Labor; 3) all applicable provisions and regulations relating to the Americans with Disabilities Act (Public Law 101-336, 42 U.S.C. 12101-12213); 4) all applicable provisions and regulations relating to Executive Order No. 13279 - Equal Protection of the Laws for Faith-based and Community Organizations.

GG. OWNERSHIP OF INFORMATION

a. ACA reserves the right to review and approve any publications funded or partially funded through this contract. All publications funded or partially funded through this contract shall recognize the State Fiscal Stabilization Fund, Government Services Fund, administered by the U.S. Department of Education and the Governor's Office of Economic Recovery.

HH. PRINTED MATERIAL

a. It is agreed that any report or printed matter completed as a part of this Agreement is a work for hire and shall not be copyrighted by the Subgrantee. Any publicly printed material under this Agreement shall state "This project was supported by the U.S. Department of Education and the Arizona Commerce Authority."

II. PARTIAL INVALIDITY

a. Any term or provision of this Agreement that is hereafter declared contrary to any current or future law, order, regulation or rule, or which is otherwise invalid, shall be deemed stricken

from this Agreement without impairing the validity of the remainder of this Agreement.

JJ. ARBITRATION

- a. In the event of any dispute arising under this Agreement, written notice of the dispute must be provided to the other party within thirty (30) days of the events giving rise to the dispute. The parties shall follow the procedures set forth in this section to facilitate a resolution and attempt to avoid litigation.
- b. The parties shall negotiate in good faith to resolve the dispute within sixty (60) days of receiving notice of the existence of the dispute. However if the parties do not reach such resolution within a period of sixty (60) days, then, upon notice by either party to the other, all disputes, claims, questions, or differences shall be finally settled by arbitration administered by the American Arbitration Association in accordance with the provisions of its Commercial Arbitration Rules and in compliance with A.R.S. §12-1518.

KK. GOVERNING LAW

a. This Agreement shall be governed and interpreted by the laws of the State of Arizona.
 The venue for any proceedings, actions, or suits arising from this Agreement shall be in Maricopa County, Arizona.

LL. PARAGRAPH HEADINGS

a. The descriptive headings of this Contract are inserted for convenience only and shall not control or affect the meaning or construction of any of the provisions in this contract.

MM. INDEMNIFICATION CLAUSE

a. Subgrantee shall indemnify, defend, save and hold harmless the State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees from and against any and all claims, actions, liabilities, damages, losses, or expenses (including court costs, attorneys' fees, and costs of claim processing, investigation and litigation) for bodily injury or personal injury (including death), or loss or damage to tangible or intangible property caused, or alleged to be caused, in whole or in part, by the negligent or willful acts or omissions of Subgrantee or any of its owners, officers, directors, agents, employees or subcontractor.

NN. PUBLIC AGENCY LANGUAGE ONLY

a. Each party (as 'indemnitor') agrees to indemnify, defend, and hold harmless the other party (as 'indemnitee'') from and against any and all claims, losses, liability, costs, or expenses (including reasonable attorney's fees) (hereinafter collectively referred to as 'claims') arising out of bodily injury of any person (including death) or property damage but only to the extent that such claims which result in vicarious/derivative liability to the indemnitee, are caused by the act, omission, negligence, misconduct, or other fault of the indemnitor, its' officers, officials, agents, employees, or volunteers.

OO. INSURANCE REQUIREMENTS

a. Attachment A, entitled Insurance Requirements, shall be incorporated by reference into this Agreement.

PP. **COMPLIANCE WITH APPLICABLE LAWS**

a. All parties to this agreement shall comply with all applicable federal, state and local laws.

QQ. LICENSES

a. Subgrantee shall maintain in current status all federal, state, and local licenses and permits required for the operation of the business conducted by the Subgrantee.

RR. SUSPENSION OR DEBARMENT STATUS

a. If the firm, business or person submitting this bid or offer has been debarred, suspended or otherwise lawfully precluded from participating in any public procurement activity with any federal, state or local government, the applicant must include a letter with its application setting forth the name and address of the governmental unit, the effective date of the suspension or debarment, the duration of the suspension or debarment, and the relevant circumstances relating to the suspension or debarment. Failure to supply the letter or to disclose in the letter all pertinent information regarding a suspension or debarment shall result in rejection of the bid or offer or cancellation of a contract. ACA also may exercise any other remedy available by law.

SS. FEDERAL IMMIGRATION LAWS

a. By entering into this contract, the Subgrantee warrants compliance with the Federal Immigration and Nationality Act and all other federal immigration laws and regulations related to the immigration status of its employees. These warranties shall remain in effect throughout the term of the contract and any renewal period of the contract. The Subgrantee shall maintain Employment Eligibility Verification form (I-9) as required by the U.S. Department of Labor's Immigration and Control Act for all employees performing work under this contract.

TT. FINGERPRINTING

- a. The provisions of A.R.S. §46-141 are hereby incorporated as provisions of this contract as they pertain to any new personnel not already covered by this requirement. When applicable, the Subgrantee shall assume the costs of fingerprint checks and may charge these costs to fingerprint its personnel. The department may allow all or part of the costs of fingerprint checks to be included as an allowable cost in a contract.
- b. Personnel who are employed by any Subgrantee, whether paid or not, and who are required or allowed to provide services directly to juveniles shall certify on forms provided by the Department of Public Safety and notarized whether they have ever committed any act of sexual abuse of a child, including sexual exploitation and commercial sexual exploitation, or any act of child abuse. This contract may be canceled or terminated if the fingerprint check or the certified form of any person who is employed by a Subgrantee, whether paid or not, and who is required or allowed to provide services directly to juveniles

discloses that a person has committed any act of sexual abuses of a child, including sexual exploitation or commercial sexual exploitation, or any act of child abuse or that the person has been convicted of or awaiting trial on any of the following criminal offenses in this state or similar offenses in another state or jurisdiction.

UU. SECTARIAN REQUESTS

a. Funds may not be expended for any sectarian purpose or activity, including sectarian worship or instruction.

VV. AUTHORITY to EXECUTE this AGREEMENT

a. Each individual executing this Contract on behalf of the Subgrantee represents and warrants that he or she is duly authorized to execute this Contract.

WW. COUNTERPARTS

a. This Contract may be executed in any number of counterparts, copies, or duplicate originals. Each such counterpart, copy, or duplicate original shall be deemed an original, and collectively they shall constitute one Contract.

XX. PROHIBITION ON GOVERNMENT CONTRACTS REGARDING IRAN AND SUDAN

- a. In accordance with A.R.S. §35-393.06, the Subgrantee hereby certifies that the Subgrantee does not have scrutinized business operations in Iran.
- b. In accordance with A.R.S. §35-391.06, the Subgrantee hereby certifies that the Subgrantee does not have scrutinized business operations in Sudan.

YY. E-VERIFY

a. In accordance with A.R.S. §41-4401, Subgrantee warrants compliance with all Federal immigration laws and regulations relating to employees and warrants its compliance with A.C.C. Section A.R.S. §23-214, Subsection A.



ACA CONTACTS

For assistance, please contact:

Brian Sherman Innovation & Global Business Development brians@azcommerce.com 602.771.1118



Part VII. Innovation Grant Budget Template

Budget Basis/Justification Innovation Applicant Subtotal						
Category	Dasis/Justilication	Grant Funds	Funds (15% match required)	Subtotal		
Personnel	3//		16.			
P	DITAT D	\$	\$	\$		
Professional & Outside Services	THE THE PARTY OF T	2		Z		
Operating Expenses		\$	\$	\$		
165		\$	\$	\$		
Capital Outlay (Equipment)		Ψ	9	Ψ		
011	791	\$	\$	\$		
Other						
		\$	\$	\$		
	Total	\$	\$	\$		



